



CONFERENCE COMMITTEE REPORT DIGEST FOR SB 559

Citations Affected: IC 27; noncode.

Synopsis: Various insurance matters. Removes fees collected by the commissioner associated with the commissioner's duties as agent for service of process. Provides that certain persons who are issued limited insurance representative's licenses without examination are exempt from continuing education requirements. Provides that certain attorneys may meet insurance licensure continuing education requirements through continuing legal education courses. Provides that various insurers must appoint an individual or a corporate resident of Indiana, or an authorized Indiana insurer, as the insurer's agent for service of process. Makes certain changes to the composition of the board of directors of the Indiana insurance guaranty association. Removes the requirement that information concerning premiums and losses, jury awards, court awards, and negotiated settlements be filed with the annual financial statement of insurers selling certain lines of insurance. Changes the requirements for annual information filing with the National Association of Insurance Commissioners (NAIC) from diskette to electronic filings. Defines "exempt commercial policyholder" and "risk manager". Requires certain disclosures by risk managers to exempt commercial policyholders. Provides for the deregulation of exempt commercial policyholder insurance transactions. Provides that the commissioner will continue as agent for service of process until a different designation is received by the commissioner. (This conference committee report removes provisions that: (1) required a political subdivision or a state educational institution that employs a legislator to provide the same insurance and other benefits at all times; (2) increased from \$4,500,000 to \$5,500,000 the amount that the commissioner of the department of labor may use from the special employment and training services fund per year; (3) required an insurance agent who is licensed after January 1, 2001, to be licensed and serve as an "associate insurance agent"; (4) added certain provisions related to reinsurance; (5) provided that a named insured on a motor vehicle policy may reject uninsured and underinsured coverage for all named insureds; (6) made certain changes to the preexisting conditions requirements for certain group insurers; and (7) established an interim study committee to study the Indiana Comprehensive Health Insurance Association. Makes technical corrections.)

Effective: July 1, 1999; Upon passage.



Adopted

Rejected

CONFERENCE COMMITTEE REPORT

MR. SPEAKER:

Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed House Amendments to Engrossed Senate Bill No. 559 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the Senate recede from its dissent from all House amendments and that the Senate now concur in all House amendments to the bill and that the bill be further amended as follows:

- 1 Page 1, delete lines 1 through 16.
- 2 Delete pages 2 through 3.
- 3 Page 4, delete lines 1 through 27.
- 4 Page 4, line 30, reset in roman "(g)".
- 5 Page 4, line 30, delete "(f)".
- 6 Page 6, delete lines 3 through 42.
- 7 Delete pages 7 through 9.
- 8 Page 10, delete lines 1 through 38, begin a new paragraph and
- 9 insert:
- 10 "SECTION 2. IC 27-1-15.5-3.1 IS AMENDED TO READ AS
- 11 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3.1. (a) An insurance
- 12 agent may not receive compensation for the solicitation, sale, issuance,
- 13 or renewal of any insurance policy issued to any person or entity for
- 14 whom the insurance agent, for a fee, acts as a consultant for that policy
- 15 unless:
- 16 (1) the agent provides to the insured a written agreement in
- 17 accordance with section 7(c) of this chapter; and
- 18 (2) the agent discloses to the insured the following information
- 19 prior to the solicitation, sale, issuance, or renewal of any policy:
- 20 (A) the fact that the agent will receive compensation for the
- 21 sale of the policy; and
- 22 (B) the method of compensation.
- 23 (b) The requirements of this subsection are in addition to the
- 24 requirements under subsection (a). A risk manager described in

IC 27-1-22-2.5(b)(2) shall, before providing risk management services to an exempt commercial policyholder, disclose in writing to the exempt commercial policyholder whether the risk manager will receive or expects to receive any commission, fee, or other consideration from an insurer in connection with the purchase of a commercial insurance policy by the exempt commercial policyholder. However, if the risk manager charges the exempt commercial policyholder a fee for risk management services, the risk manager shall disclose in writing to the exempt commercial policyholder the specific amount of any commission, fee, or other consideration that the risk manager may receive from an insurer in connection with the purchase of the policy. The risk manager shall, before providing the risk management services, obtain from the exempt commercial policyholder a written acknowledgement of the disclosures made by the risk manager to the exempt commercial policyholder under this subsection."

Page 10, line 40, delete "JULY 1, 1999" and insert "UPON PASSAGE".

Page 11, line 7, delete "Section" and insert "section".

Page 11, line 12, reset in roman "and".

Page 11, line 15, reset in roman ".".

Page 11, line 15, delete "; and".

Page 11, delete lines 16 through 20, begin a new line blocked left and insert:

"An attorney in good standing who is admitted to the practice of law in Indiana and holds a license issued under this chapter may complete all or any number of hours of continuing education required by this subsection by completing an equivalent number of hours in continuing legal education courses that are related to the business of insurance."

Page 17, line 9, strike "IC".

Page 24, delete lines 31 through 36.

Page 25, line 4, after "risks" insert ",".

Page 27, line 11, delete "IC 27-1-22-4(b);" and insert **"subsection (b);"**.

Page 27, line 27, delete "2.5(a)(4) criteria" and insert **"criteria in section 2.5(a)(3) of this chapter"**.

Page 29, line 30, strike "IC".

Page 29, line 39, after "FOLLOWS" insert "[EFFECTIVE JULY 1, 1999]".

Page 30, line 2, strike "(i)" and insert **"(1)"**.

Page 30, line 4, strike "(ii)" and insert **"(2)"**.

Page 30, line 6, strike "(iii)" and insert **"(3)"**.

Page 30, line 8, strike "(iv)" and insert **"(4)"**.

Page 30, line 10, strike "(v)" and insert **"(5)"**.

Page 30, line 11, strike "(vi)" and insert **"(6)"**.

Page 30, line 12, delete "domestic stock, domestic" and insert **":**

(A) domestic stock companies;

(B) domestic mutual companies; or

(C) domestic reciprocal insurers;

with not more than two (2) persons representing any

- 1 **category."**
- 2 Page 30, delete lines 13 through 14.
- 3 Page 30, line 18, delete "(vii)" and insert "(7)".
- 4 Page 30, delete lines 35 through 42.
- 5 Page 31, delete lines 1 through 27.
- 6 Page 31, delete lines 37 through 42.
- 7 Delete page 32.
- 8 Page 33, delete lines 1 through 20.
- 9 Page 36, delete lines 30 through 42.
- 10 Delete pages 37 through 41.
- 11 Page 42, delete lines 1 through 36.
- 12 Page 43, delete lines 25 through 42.
- 13 Page 44, delete lines 1 through 38.
- 14 Renumber all SECTIONS consecutively.
(Reference is to ESB 559 as reprinted April 13, 1999.)

Conference Committee Report
on
Senate Bill 559

Signed by:

Senator Clark

Representative Herrell

Senator Lewis

Representative Smith M

Senate Conferees

House Conferees